
**Technology, Energy &
Communications Committee**

HB 1010

Brief Description: Concerning energy efficiency and renewable energy standards.

Sponsors: Representatives Morris, Hudgins, Morrell, Linville, B. Sullivan, McCoy and Chase.

Brief Summary of Bill

- Requires investor-owned and consumer-owned electric utilities to develop integrated resource plans.

Hearing Date: 1/18/05

Staff: Sarah Dylag (786-7109).

Background:

In Washington, most of the electricity sold to retail customers is generated by hydroelectric power. According to the state's 2004 fuel mix disclosure report using 2003 electricity production data, hydroelectric power accounts for 66.6 percent of electricity sold; coal represents 17.7 percent; nuclear power supplies 4.6 percent; and natural gas 9.8 percent. Non-hydro renewable resources such as wind, landfill gas, or biomass represent 1.3 percent.

Traditionally, electric utilities have been guided in their efforts to acquire resources for meeting their customers' demand for electricity by a least cost planning analysis. In conducting least cost planning, utilities choose a mix of supply and demand side resources that minimizes the cost of services to the customer. The mix may include electricity that is generated by the utility itself, purchased on long-term contracts from other producers, or may include some electricity purchased on the short-term or spot market. It may also include conservation and energy efficiency.

The rules of the Washington Utilities and Transportation Commission (WUTC) require the investor-owned electric utilities regulated by the WUTC to develop least cost plans in consultation with the WUTC staff.

Summary of Bill:

Investor-owned and consumer-owned electric utilities are required to develop integrated resource plans that describe the mix of generating resources and improvements in efficient use of electricity to meet current and future needs at the lowest reasonable cost to its ratepayers. Development of an integrated resource plan must include demand forecasts, assessment of technically feasible

improvements, assessment of technically feasible generating technologies, resource evaluation, and specific actions to be taken by the utility consistent with the integrated resource plan. For all plans subsequent to the initial integrated resource plan, the plan must also include a progress report that relates the new plan to the previous plan.

The investor-owned utilities must submit integrated resource plans to the WUTC. Consumer-owned utilities must develop and publish a work schedule for the preparation of an integrated resource plan and the governing body shall approve an integrated resource plan after public notice and hearing. Consumer-owned utilities must provide a copy of the integrated resource plan to the Department of Community, Trade, and Economic Development (CTED).

CTED must review the integrated resource plans of consumer-owned utilities and prepare a statewide summary report to the legislature. The WUTC must provide information on the investor-owned utilities to CTED for inclusion in the statewide summary report

Appropriation: None.

Fiscal Note: Requested on January 14, 2005.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.